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WASHINGTON, DC- U.S. Representative Charlie Melancon voted today in favor of the Permanent Estate Tax Relief Act (H.R. 5638), noting that the legislation was a step in the right direction to eliminating the unfair death tax families and small business owners pay on inheritances.

"I believe hard-working men and women deserve as much tax relief as possible, and passing this legislation is one way to assist them," said Melancon. "It is getting more and more difficult to be a successful farmer or small business owner, and the death tax is a major burden. Reducing the size and scope of the death tax will help these folks and other middle-class families and, in turn, help the economies of our communities remain strong and stable."

The Permanent Estate Tax Relief Act will exempt estates valued at up to \$5 million or individuals and \$10 million for couples from the federal death tax. Estates worth more than these levels, up to \$25 million, would be taxed at the same rate as capital gains, i.e., 15% through 2010 and 20% thereafter as under current law. Estates over \$25 million would be taxed at twice the rate on capital gains.

Melancon, a member of the fiscally conservative "Blue Dog Coalition," also voted today in favor of the Legislative Line-Item Veto Act of 2006 (H.R. 4890), an effort to restore fiscal discipline to the budget-making process by giving the President the authority to propose the elimination of discretionary spending, new mandatory spending or targeted tax breaks included in broader legislation.

"This legislation will deter frivolous earmarks that bloat the budget and increase our nation's debt," said Melancon. "Pork-barrel spending not only hurts our fiscal integrity, it wastes money that could be used for more urgent priorities, like hurricane recovery and protection."

The Legislative Line-Item Veto Act provides the President with the ability to request that Congress take an up-or-down vote on spending items and targeted tax benefits included in legislation that he signs into law. Unlike the Line-Item Veto Authority provided to President Clinton in 1996, Congress will retain the final say over all spending matters. If Congress approves the President's proposed rescissions by a majority vote, they will take effect. On the other hand, if Congress rejects the President's rescission requests by a simple majority, the money will still be spent.

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